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CENTRAL INTELLIGENCE AGENCY

DIA and DOS review(s) completed.

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GENERAL

1. World Peace Council picks up biological warfare campaign:
The World Peace Council Executive Committee meeting in Oslo, which ended on 1 April, announced that the Council had examined documents on bacteriological warfare submitted by Chinese and Korean delegates, had discussed the German and Japanese problems and that of the "independence of the nations," and would incorporate its findings in a "general resolution on a treaty of peace and disarmament."

According to TASS, the Council intends to publish all documents and set up an international fact-finding commission consisting of senior representatives of scientific, legal and religious circles. The Council further called upon all states to adhere to the 1925 Geneva convention banning the use of asphyxiating gases and bacteriological weapons, pointing out that the United States is the only great power that had failed to ratify. The Council reiterated a previous Communist demand that users of bacteriological weapons be tried as war criminals. [REDACTED]

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Comment: TASS has also reported that the World Peace Council will have a meeting in June to prepare for another World Peace Congress.

2. Paris embassy expects Soviet rejection of Western arguments on Germany: The United States Embassy in Paris believes that the Soviet rejoinder to the Western reply on the German treaty proposal "will contain rejection and detailed argumentation against particular Western points." The major issue upon which the Soviet Union will now concentrate will be the alleged alternatives between unification of a peaceful, independent Germany, and integration of Germany into a Western bloc that is feverishly rearming.

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The Embassy also believes that the USSR will not dwell on the German boundary question in its reply in order to avoid reopening the entire question of the Oder-Neisse line, but that it may inject the Saar issue in order to appeal to German opinion. In order to offset the weakened position of the French Communists, who were embarrassed by the USSR's support of a German army, the reply may spell out the Soviet concept of limited national armed forces for defensive purposes.

The Embassy maintains that the USSR may wish to postpone the final detailing of concessions it is willing to make until the development of the "crisis" which it anticipates later this year in France and possibly Great Britain.

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EASTERN EUROPE

3. Attempted assassination of Czechoslovak Minister of National Security reported: Minister of National Security Karel Bacilek and his driver are both hospitalized with wounds received when the Minister's car was fired upon within the last few days, according to information of unknown reliability. [REDACTED]

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Comment: Organized resistance as such has been negligible in Czechoslovakia.

Bacilek is a veteran Czechoslovak Communist who has risen rapidly in the governmental hierarchy. He was appointed Minister of State Control in September 1951 and replaced Ladislav Kopriva as Minister of National Security in January 1952.

4. Polish official opinion on USSR's German peace treaty proposal still unexpressed: There is still no expression of Polish official opinion on the Soviet Union's German peace treaty proposals of 10 March. The US Embassy in Warsaw considers that this silence may indicate either that the Polish Government intends to minimize the possible implications of the Soviet proposal or that no consistent party line has been determined.

All Polish press comment on the USSR's note and the three power reply has been published under Berlin datelines and attributed to various East German press articles.

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25X1 Probably in an effort to reassure the population, the Polish press has laid particular stress upon East German articles reaffirming the permanence of the present Polish-German frontier. [redacted]

Comment: The Polish Government's failure to express any official opinion on the USSR's proposals is in distinct contrast to the reaction in Czechoslovakia. The Czech President stated that Czechoslovakia fully supported the "wise Soviet recommendations," and the Czech Foreign Minister characterized the Soviet Union's proposals as "in full harmony with the interest of our Republic."

In both the Polish and Czech press, little if any attention has been given to the proposals for the creation of German armed forces.

5. Polish Government resumes agricultural collectivization: Polish newspapers in early March began to report the formation of new agricultural producer cooperatives, a variety of collective farms from which the members are theoretically allowed to withdraw. In February, the principal Polish Communist daily newspaper, Trybuna Ludu, declared in an editorial that "hundreds of new production cooperatives" were to be organized this spring.

25X1 The US Embassy in Warsaw believes that the government's plans may be slowed down because of the shortcomings in 1951 tractor production which resulted in the creation of only 104 new State Machinery Centers instead of 170 which were planned. [redacted]

25X1 Comment: It now appears that the Polish Government, having secured effective control over the national grain supply [redacted] feels confident that it can move ahead with its collectivization program without fear of the effects of peasant resistance.

The State Machinery Centers are important in the collectivization program because of their practical value in the operation of a collective farm and the propaganda activities of their political sections.

During 1951 only 855 new producer cooperatives were formed, most of them prior to June, as compared to the peak of 1,957 formed in 1950. Agricultural production cooperatives in Poland now total a little more than 3,000. They

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contain about 5 percent of Poland's agricultural area or approximately 3 percent of the total number of individual peasant farms.

- 25X1 6. New Rumanian budget calls for increased defense expenditures:
The Rumanian Grand National Assembly has approved a budget for 1952 which provides for revenues of 32.1 billion lei and expenditures of 30.6 billion, leaving a surplus of 1.5 billion lei. In presenting the budget, Dumitru Petrescu, the new Finance Minister, stated that five billion lei or 16.4 percent of budgetary expenditure, will be appropriated for defense.

Comment: The Rumanian budget announcement comes just two months after a drastic currency revaluation and less than one month after Finance Minister Vasile Luca and his three deputies were replaced.

In terms of the new currency, total revenues are to be increased by 30.8 percent, and total expenditures by 41 percent over and above those of last year. Defense expenditures are to be upped from about 3.4 billion in 1951 to 5.03 billion lei in 1952, an increase of approximately 48 percent.

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FAR EAST

7. "People's armed forces" to be established in cities: The Chinese Communists are planning to establish "people's armed forces" in the cities as an urban counterpart of the village militia. The Chinese press has published a joint party, army and government directive for the formation of such units from workers and "revolutionary employees"; they are to be led by party organizations and military authorities.

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Comment: There are an estimated six million crudely trained and partially armed militia in the Chinese countryside. The planned units in the cities may add another one or two million persons to Peiping's paramilitary forces. Such organizations also provide the regime with an additional means of consolidating party control of the populace.

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10. Chinese Nationalist Navy commander in chief to resign:
Admiral Kwei Yung-ching, commander in chief of the Chinese Nationalist Navy, has submitted his resignation, according to the American Naval Attache in Formosa. Admiral Kwei stated that he has discussed the matter with Chiang Kai-shek and that his resignation will be accepted within the next ten days.

The Attache comments that the likely successor to Admiral Kwei is the youthful deputy commander, Ma Chi-chuang.

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Comment: Over the past year there has been increasing friction between Admiral Kwei and the Generalissimo's able son, Chiang Ching-hao, head of the Political Department of the Ministry of National Defense. This conflict derived from interference by the secret police with the activities of the Navy.

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NEAR EAST - AFRICA

12. Party politics in South African military establishment add to current tension: The South African Chief of Staff and Minister of Defense are "ruthlessly determined to purge senior officers on the wrong side of the political fence," in the opinion of the US Army Attache in Capetown. This American

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official sees the Chief of Staff's attitude toward his job well illustrated by his recent private statement that "we have an election coming up soon." The "unprecedented disaffection concerning the country's armed forces" is reflected in recent bitterly denunciatory statements by several senior officers now out of the service. [REDACTED]

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Comment: Also contributing to the prevailing political tension are Prime Minister Malan's announced intention to deny the Supreme Court any opportunity to rule again on constitution-protected rights, and the imminence of non-European demonstrations scheduled for 6 April in protest against the government's segregation program.

The government has given no indication of when it intends to call the general election that must come within the next 16 months.

13. Continuing nationalist activity in Tunisia delays return to normal administration: Although apparent calm has been restored in Tunisia, nationalist underground activities have been sufficiently extensive and unified to warrant postponement of the return to normal civil administration. [REDACTED]

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Comment: The French Resident General is unlikely to end martial law until after a Tunisian cabinet has been invested. The new Prime Minister has still not been able to form a cabinet.

Despite the recent setback to nationalist aspirations, there is no indication that the nationalists have abandoned their anti-Communist policy.

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WESTERN EUROPE

14. Member states favor stronger Organization for European Economic Cooperation: At the recent OEEC meeting it was evident that most of the member governments want the organization to be maintained and strengthened. They accepted the United States resolution for an annual review of each country's economic situation and prospects; such reviews will provide the basic data for NATO's annual consideration of defense requirements. To avoid embarrassing non-NATO members, such as Sweden and Switzerland, this proposal was not officially placed on the record. It was agreed to continue the European Payments Union, although Belgium's agreement was conditioned on the satisfactory settlement of its special creditor status. The question of the internal financial stability of the member countries will receive immediate high-level attention.

The United States, which considers the OEEC an organ of the Atlantic Community, and Canada indicated their willingness to be closely associated with the organization by agreeing to participate fully in the annual economic review and the internal financial stability exercises.

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15. East Germans suggest that West German Socialists cooperate in peace treaty campaign: In a letter to the Executive Board of the West German Social Democratic Party (SPD), the Central Committee of the East German Socialist Unity (Communist) Party (SED) proposed on 28 March that representatives of the two parties meet to discuss "unity of action" in strengthening the forces of democracy in Germany. The letter calls the Adenauer government the main barrier to East and West German rapprochement, and declares that Adenauer could not carry on for another day if "the members of the SPD, the trade unions, the West German Communist Party, and the SED" were to reconcile their differences and embark on a joint action campaign.

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Comment: The East Germans and Russians have lately been trying to find ways to enlist SPD support for Moscow's peace treaty proposals. The SPD is the only major West German party which so far has reacted to the 10 March Soviet note by favoring big-four talks. Officials of this party, however, believe that a big-four agreement should precede SPD-SED negotiations.

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17. Communists may represent France and Italy at International Labor Organization conference: The system of rotating worker-delegates to the annual International Labor Organization conferences may force the Italian Government to send a leader of the Communist-dominated General Confederation of Labor to the international conference to be held at Geneva in June.

The US Embassy in Rome also reports that France, too, may be represented at the conference by a worker-delegate from the Communist General Confederation of Labor.

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Comment: It will be difficult for Premier de Gasperi to by-pass the General Confederation of Labor this year, since it enjoys full legal status and is by far the largest labor organization in Italy. Italy was represented at last year's conference by the leader of an anti-Communist labor organization.

Italian and French representation at the conference by Communist delegates might not interfere seriously with proceedings, but would enhance the prestige of Italian and French Communist parties at home.

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Thus far there is no indication that other Western states are likely to send Communist worker-delegates to the conference.

18. Ireland makes third approach to buy American arms: Irish External Affairs Minister Aiken has called informally on General Eisenhower at SHAPE headquarters to ask that Ireland be allowed to buy arms from the United States. He was told that military goods are scarce and that priority must be given to member nations of the collective alliance for the defense of the free world. [redacted]

Comment: Aiken made identical requests and received identical replies last August and again in January when Ireland refused to accept the terms of the Mutual Security Act.

The Irish Government is making modest efforts on its own to strengthen its small defense forces. A recruiting campaign, which began on 15 January, increased the armed forces from about 8,000 to over 10,000 in the first two months. The defense budget for 1952-1953 is about 2.8 million dollars larger than last year's budget. Irish efforts to buy arms in Sweden, Belgium, and France have been reported, but their success is not known.

LATIN AMERICA

19. Planned Chilean copper workers strike postponed: An agreement has been signed by the Chilean Minister of Labor and management and union representatives of the large US-owned Chuquicamata and Potrerillos copper mines wherein the legal limit for strike action was extended from 5 April to 25 April. The extension allows additional time for negotiating new contracts. [redacted]

Comment: Communist activity among labor groups in northern Chile has increased in the past two months, and Communists, in large part responsible for serious labor unrest among nitrate and coal workers, apparently had hoped to prolong unrest among these groups until the copper workers struck. Labor at the Potrerillos and Chuquicamata mines, however, is reportedly controlled by the non-Communist Confederation of Copper Workers, although minority Communist groups are trying to outbid it for the support of the workers.

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GENERAL

1. Britain sees advantage for USSR in recent exchange of notes on Germany: The chief of German affairs in the British Foreign Office says that the Soviet Union has unquestionably derived some advantage from the recent exchange of notes on a German peace treaty. He believes that German opinion has been so softened that the Russians can now make "real trouble" by accepting the principle of all-German elections under quadripartite supervision, meanwhile insisting on four-power treaty talks and simultaneous East-West German discussions of election conditions.

25X1 This British official thinks that the current lack of progress in the Allied-German contractual negotiations may be due largely to the tendency of negotiators on each side to count too heavily upon concessions from the other, and to French hesitancy now that close relations with Germany are imminent. [REDACTED]

Comment: Foreign Secretary Eden has suggested that the USSR may be willing to offer a big price, such as relaxing its control over East Germany, in order to start negotiations which would prevent West Germany's prompt integration into the Western defense system. The Russians could then stall these negotiations as they have done in the case of Austria.

SOUTH ASIA

2. UN Representative Graham is pessimistic over Kashmir solution: United Nations Kashmir Representative Graham, who left the Indian subcontinent for Geneva on 25 March, is convinced that at present there is no possibility of obtaining agreement between India and Pakistan on the Kashmir question. He thinks that a new approach to the problem is necessary.

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Comment: Despite American and British efforts to encourage Graham to return to India and Pakistan, he remains cool to the idea. Graham's hesitancy to prolong his mission is a good indication that neither India nor Pakistan is prepared to change its previous attitude on any important point.

NEAR EAST-AFRICA

3. British proceeding with constitutional development in Sudan: The British Ambassador in Cairo is disappointed at the decision of the Governor General of the Sudan to introduce the new draft constitution into the Legislative Assembly on 2 April, despite the recent insistent demands of the Egyptian Government that Britain delay its plans. [REDACTED]

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Comment: Foreign Secretary Eden stated last November that progress toward self-government in the Sudan should continue and that the government welcomed the prospect of the new constitution's being in operation by the end of 1952.

This constitution, which provides for an all-Sudanese Council of Ministers responsible in most respects to a parliament composed largely of elected members, would remain in effect until a Sudanese Constituent Assembly is elected sometime in 1953 to determine the future status of the territory.

WESTERN EUROPE

4. British want an American as Deputy Secretary-General of NATO: The British Government believes that the Deputy Secretary-General of NATO should be an American, according to its NATO Council representative. This British official said that having an American in this key position would give Secretary-General Ismay "most effective and congenial support," and would demonstrate a continuing US share in leadership on the civilian side of NATO.

The United States representative replied that the American view, though not yet firm, would probably not favor such an appointment, on the grounds that it would be a "good thing" to have one of the smaller nations represented

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on this level. [REDACTED]

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[REDACTED]

5. Norwegian Defense Minister desires an American as Eisenhower's successor: Norwegian Defense Minister Langhelle has informally told an American diplomat that any successor to General Eisenhower in SHAPE "must be an American." Norway will support General Gruenther if he is nominated. [REDACTED]

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[REDACTED]

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